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SUBJECT: MEDIA REACTION: FINANCIAL CRISIS, CHINESE NAVY'S
ANNIVERSARY, UN RACISM CONFERENCE

Editorial Quotes

1. FINANCIAL CRISIS

a. "The internal defect and future evolution of the international currency system"

21 Century Business Herald (21Shiji Jingji Baodao) under Guangdong 21 century publishing company Ltd. (04/21): "For more than 30 years, the Dollar Standard System has caused the abnormal development of American industries. This development then became ingrained in their culture and now it is hard to change. The U.S., as the debtor, has unprecedentedly thrown out many standard business practices, for example the practice of a debtor country paying interest to a creditor country. However, in the U.S. it is often the opposite. American scholars call this 'excessive privilege.' Meanwhile, surplus dollars are flowing back to the U.S. ...Regional wars created by the U.S. have caused dramatic increases in the of the U.S. government's fiscal deficit, trade deficit, developing country's foreign reserves, the surge of the world's oil and gold's price, the collapse of the international currency system, and the overall financial crisis. ...The root cause of the financial crisis is the Dollar Standard System which has no restrictions and containment. The world's imbalanced economy is not the cause of the financial crisis. The U.S. is able to gain resources, products and strategic assets from the dollar's global liquidity. In the future, the U.S. dollar's zone will include the whole of North America and will expand into South American countries. The RMB's internationalization will be both an external and internal comprehensive process. It all depends on whether or not the successful economic transformation of China can be fulfilled."

b. "Chinese-style Marshall Plan is right on time"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(04/21): "Many counties have discussed whether it is appropriate for China to conduct its own Marshall Plan. Based on China's development, the country is looking for opportunities to expand its economic strategy. The Marshall Plan may be a good platform and method for China's global economic strategy. If China starts a Marshall Plan, China could stimulate domestic demand by driving up external demand. A Marshall Plan could also help China to offset the negative effects of China's economic stimulus measures, i.e. surplus production. What's more, a Marshall Plan can provide alternative ways to spend China's foreign reserves. To avoid a dramatic drop in the values of American bonds held by China, China should increase their imports by giving the bonds to countries that are in great need. Furthermore, the Marshall Plan could prepare China for their future global economic strategy. Unpractical expectations should be avoided when researching the plan."

2. CHINESE NAVY'S ANNIVERSARY

"Navies from 14 different countries will attend the Troop Review

ceremony"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(04/21): "The chiefs of both the American and the Russian Navies will attend the Troops Review ceremony. Warships from many countries have, for the first time, assembled in China with a distinctly peaceful goal. The Chinese navy's combat capabilities are 4th or 5th in the world. However, different from the U.S., China has no need to set up a super-navy. China is only focused on developing their navy suitable to their country's strength and security. Chinese experts indicate that this Troops Review will influence China's cooperation with other countries in the future because the Review will help enhance the mutual understanding and trust in regard of military cooperation. The Chinese navy has an open attitude."

13. UN RACISM CONFERENCE

"To understand rationally and communicate equally is a challenge"

The official Communist Party People's Daily (Renmin Ribao) (04/210: "A few countries, including the U.S., have opposed the UN's anti-racism summit. An official statement of the U.S. explained that that this is due to the conference's historical document which contains criticism against Israel. From leaving this conference in 2001 to the resistance of today, the U.S. attitude has not changed. Today, the U.S. emphasizes smart power. However, the U.S.' stance has not changed on this issue, which is worth noting. The U.S. bears a historical burden concerning the Israel issue. The U.S. and Israel are diverging concerning the Palestine-Israel conflict. The U.S. has chosen to stand with Israel at the racism conference. What's more, Ahmadinejad has made his attendance at the conference very

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high profile. Under the cloud of the U.S.-Iran relationship, the U.S. would rather avoid the conference than be embarrassed. In order to deal with the anti-racism issue from an equal basis, concerned parties should adopt a more rational, more understanding and more constructive attitude."

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